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The Director of Central Intelligence  
Washington, D.C. 20505

ER 2661X-88

CIA FILE SEO

Security Evaluation Office

1 July 1988

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: [REDACTED]

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Director, Security Evaluation Office

SUBJECT: Secretary Shultz and the DCI Security Evaluation Office [REDACTED]

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1. These comments, and the attached references, are offered as preparation for a discussion with Secretary Shultz on the role of the DCI Security Evaluation Office. His attached 27 June 1988 memorandum differs markedly from the position one would glean from the DCI/DDCI memoranda for the record of discussions with him (see notebook of References, Tab J) and even his views as quoted in the State Newsletter (References, Tab K). The comments in the 27 June memorandum do faithfully reflect the views of the Bureau of Diplomatic Security, however. [REDACTED]

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2. Has Secretary Shultz really given the role of the DCI Security Evaluation Office serious thought and staked out a new and different position? Or, has he merely signed something his staff put before him without careful reading and discussion? The answer seems to be a little of both. Ron Spiers informed me on 29 June that the memorandum was prepared, apparently by Bob Lamb (Assistant Secretary for Diplomatic Security), prior to the Gates [REDACTED] Spiers/Lamb luncheon. Spiers then added the last paragraph referring to the meeting and Shultz signed. [REDACTED]

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3. I questioned Spiers closely and asked him to distinguish carefully between Shultz's views and the views of the Foreign Service establishment. Spiers led off with an explanation of the establishment view that the inclusion of "personnel security standards" in the Security Evaluation Office mission represents a transfer of control of the Foreign Service to the DCI. Spiers disclaims that view himself but asserts that there is a wide-spread belief among his senior colleagues that the Secretary alone must control all aspects of personnel security standards, as well as personnel standards, for the Foreign Service. [REDACTED]

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4. The next question I raised was how literally should we interpret the Secretary's memo on "... (personnel) standards must remain the responsibility of each agency?" A literal interpretation means that the Secretary of State, as manager of the embassies, has no legitimate concern for the personnel security standards set by any tenant of the embassy for its people. That means, in the Lonetree case, the Secretary disclaims interest, concern, and responsibility. Surely, I asked Spiers, the Secretary doesn't mean that? [REDACTED]

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5. Spiers replied along the lines that an area of agreement might be found somewhere between the discussion of personnel standards for managing the Foreign Service and the personnel security standards and procedures for selecting people (of various embassy tenants organization) for overseas assignments. He cautioned me that he (Spiers) was "under a lot of pressure not to cave in to you intelligence guys." [REDACTED]

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6. I have made a distinction between personnel standards and personnel security standards in my briefings and in my correspondence with Bob Lamb. It was discussed at my meeting with the State Management Council and I thought George Vest, the Director of the Foreign Service, said to his colleagues that my explanation of the two terms satisfied him. The thrust of that distinction is that the personnel standards for managing the Foreign Service (what skills, whether people should be tall or short, slow or quick) are exclusively the responsibility of the Secretary. But, personnel security standards and procedures used by State and other tenant organizations in selecting their people for assignment to diplomatic establishments are within the mission of the DCI Security Evaluation Office. Further, I expressed my judgment that the Secretary, as manager of the embassies and consistent with his responsibility for their protection against the intelligence threat, must himself be concerned about the personnel security standards pursued by all tenant organizations. [REDACTED]

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7. Secretary Shultz's comment that he would welcome recommendations from the DCI Security Evaluation Office on the technical threat indicates a desire to move away from the independent audit concept to an advisory body he can call on if so inclined. It also reminds me of a widely held judgment in the Intelligence Community that technical security is only one element of the equation, it cannot be viewed or dealt with in isolation. The most sophisticated technical countermeasures are worthless unless they are accompanied by sound personnel and physical security measures. A technical sweep of the Ambassador's office or residence may be good until a local employee is allowed unmonitored access to the premises. Close supervision of construction in an embassy may be good protection until an embassy employee, Marine guard or other, fails in his duty. The thrust of Secretary Shultz's memorandum is toward a maintenance of the status quo, leaving the Bureau of Diplomatic Security with an unmonitored monopoly of security overseas, and perpetuates its fragmented approach to the problem. [REDACTED]

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8. In conclusion, I have no simple, single recommendation for a solution to the problem. My professional judgment is that you cannot accept the responsibility for the independent, objective audit function unless you have State (and other tenant agency) cooperation in reviewing and setting standards for all aspects of personnel, physical, and technical security against intelligence activity. In the meantime, the DCI Security Evaluation Office is pressing on as if the Colin Powell letter/Presidential direction is unchallenged. I would welcome an opportunity to discuss these issues. [REDACTED]

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## Attachments:

As stated

## Distribution:

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D/SEO/DCI: [REDACTED]

(30 June 1988)

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R E F E R E N C E S

- A OGC Opinion on SEO, 20 June 1988
- B Rep. Atkins Query to Webster, 16 June 1988
- C Draft: DCI Response to Rep. Atkins
- D Mica and Snowe letter to Shultz, 10 June 1988
- E Draft: DCI to Secretary of State commenting on Mica and Snowe letter
- F Colin Powell letter to Shultz and Webster, 22 October 1987
- G Shultz and Webster letter to President, 3 August 1987
- H DCI to President, 23 July 1987
- I DCI to Chairman, PFIAB, 4 September 1987
- J Memoranda of DCI/DDCI and Secretary/Deputy Secretary discussions
- K Secretary Shultz quoted in State Newsletter on DCI/SEO
- L Package for 16 June 1988 DCI/Secretary meeting (includes some  
[redacted] Lamb correspondence)
- M Excerpt from PFIAB Report on Embassy Security, 13 July 1987, discussing  
FMSO (now known as DCI/SEO)

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